



**TRUST DEED**

**BMA EMPRESS CASH FUND**

**MONEY MARKET FUND**

**BMA ASSET MANAGEMENT COMPANY LIMITED**

**Table of Contents**

1.	GOVERNING LAW .....	4
2.	DECLARATION OF TRUST .....	4
3.	DEFINITIONS .....	5
4.	OBLIGATIONS OF MANAGEMENT COMPANY .....	10
5.	OBLIGATIONS OF TRUSTEE .....	14
6.	CHANGE OF MANAGEMENT COMPANY .....	16
7.	CHANGE OF TRUSTEE .....	17
8.	BANK ACCOUNTS .....	18
9.	DEPOSITED PROPERTY .....	18
10.	INVESTMENT OF THE DEPOSITED PROPERTY .....	19
11.	VOTING RIGHTS ON DEPOSITED PROPERTY .....	22
12.	BORROWING .....	23
13.	VALUATION OF ASSETS/ LIABILITIES AND NET ASSET VALUE OF THE FUND .....	23
14.	UNITS .....	23
15.	ISSUE OF UNITS .....	25
16.	DETERMINATION OF OFFER PRICE .....	25
17.	ALLOCATION OF FRONT END LOAD .....	26
18.	ALLOCATION OF BACK END LOAD .....	27
19.	REDEMPTION OF UNITS .....	27
20.	DETERMINATION OF REDEMPTION PRICE .....	28
21.	SUSPENSION OF ISSUE OR REDEMPTION OF UNITS .....	29
22.	QUEUE SYSTEM AND WINDING UP .....	29
23.	ISSUE OF UNITS OUTSIDE PAKISTAN .....	30
24.	REGISTRATION OF HOLDERS .....	31
25.	ACCOUNT STATEMENT .....	33
26.	ISSUANCE OF UNIT CERTIFICATES .....	33
27.	REPLACEMENT OF CERTIFICATES .....	34
28.	TRANSFER OF UNITS .....	35
29.	CONVERSION OF UNITS .....	36
30.	PLEDGE/ LIEN OF UNITS .....	36
31.	FEES AND CHARGES .....	36
32.	TRANSACTIONS WITH CONNECTED PERSON .....	38
33.	DETERMINATION OF DISTRIBUTABLE INCOME .....	39
34.	DISTRIBUTION OF INCOME .....	40
35.	ANNUAL ACCOUNTING PERIOD .....	41
36.	BASE CURRENCY .....	41
37.	AUDIT .....	42
38.	MODIFICATION OF THE TRUST DEED .....	42
39.	TERMINATION AND LIQUIDATION OF TRUST .....	43
40.	DISTRIBUTION OF LIQUIDATION PROCEEDS .....	43
41.	ARBITRATION .....	44
42.	CONFIDENTIALITY .....	44
43.	MISCELLANEOUS .....	44
44.	ANNEXURE A .....	47
45.	ANNEXURE B .....	48
46.	ANNEXURE C .....	49
47.	ANNEXURE D .....	50

## TRUST DEED BMA EMPRESS CASH FUND

### 1. NAME OF OPEN-END SCHEME

BMA Empress Cash Fund (BECF)

### CATEGORY OF OPEN-END SCHEME

BMA Empress Cash Fund is a money market scheme.

### 2. PARTICIPATING PARTIES

This Trust Deed is made and entered into at Karachi, on this 18 day of June, 2009 by and between:

- (1) **BMA Asset Management Company Limited**, an unlisted public limited company incorporated in Pakistan under the Companies Ordinance 1984 with its registered office at 801 Unitower, I.I.Chundrigar Road , Karachi (hereinafter called the “**Management Company**” which expression where the context so permits shall include its successors in interest and assigns) of the one part; and
- (2) **Muslim Commercial Financial Services (Pvt) Limited**, a company, incorporated in Pakistan having its registered office at 2<sup>nd</sup> Floor, Adamjee House, I.I. Chundrigar Road Karachi (hereinafter called the “**Trustee**”, which expression where the context so permits, shall include its successors in interest and assigns) of the other part.

### WHEREAS:

- A. The Management Company has been licensed as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) to undertake Asset Management Services. (License attached hereto as **Annexure “A”**);
- B. The Management Company has been allowed by the SECP vide its letter No.NBFC-II/DD/BMA-AMCL/6/7/2009 dated June 15, 2009 appended hereto as **Annexure “B”** to constitute the Trust under the name and title of BMA Empress Cash Fund (hereinafter referred to as the “Unit Trust” or “Trust” or “Scheme” or the “Fund”) and to register this Trust Deed (Deed), pending registration of the open end scheme as a Notified Entity under Section 282 CA of the Companies Ordinance, 1984 (the Ordinance) for the establishment and operation of the Scheme in accordance with the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (herein after referred to as “the Regulations” which expression shall include any amendments thereto or substitutions thereof) and this Deed and Offering Document.
- C. The Management Company has nominated and appointed Muslim Commercial Financial Services (Pvt) Limited as trustee of the Trust and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship attached herewith as **Annexure “C”**.
- D. The SECP has approved the appointment of Trustee, vide letter No.NBFC-II/DD/BMA-AMCL/6/8/2009 dated June 15, 2009 appended hereto as **Annexure “D”**.

**NOW, THEREFORE, THIS DEED WITNESSETH AS FOLLOWS:**

**1. GOVERNING LAW**

This Deed shall be subject to and be governed by the Laws of Pakistan, including the Ordinance, the Rules, Regulations and all applicable laws and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Regulations, the latter shall supersede and prevail over the provisions contained in this Deed.

**2. DECLARATION OF TRUST**

It is hereby declared unequivocally, that a Unit Trust in the name and title of BMA Empress Cash Fund is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the said Unit Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Unit Trust. The Management Company and the Trustee hereby agree to such appointment and further declare that:

- (a) The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Holder as if he has been a party to it and so to be bound by its provisions and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed;
- (b) The Management Company shall manage, operate and administer the Trust in accordance with the Regulations, Trust Deed and Offering Document and any other condition which may be imposed by the SECP from time to time;
- (c) The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Holders ranking pari-passu inter se according to the number of Units held by each Holder;
- (d) The Deposited Property shall be invested/ disinvested from time to time by the Trustee at the sole direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Documents, the Regulations and the conditions (if any) which may be imposed by the SECP from time to time;
- (e) The Unit Holder will not be liable to make any payment after he has paid the purchase price of his Units(s) and that no further liability can be imposed on him in respect of Units(s) which he holds;
- (f) The Trustee shall issue a report to the Holders, included in the annual and second quarter report, in accordance with the Regulations;
- (g) The Trustee shall be changed in the manner stated in clause 7.1 of this Deed;
- (h) The Trust shall be managed and operated strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Regulations (as amended or replaced) and the conditions (if any) which may be imposed by the SECP from time to time.

### 3. DEFINITIONS

Unless the context requires otherwise the following words or expressions shall have the meaning respectively assigned to them viz.:

- 3.1 **“Accounting Date”** means the thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up. Provided however, the Management Company, with the approval of the Trustee and after obtaining approval of the Commission and Commissioner of Income Tax, change such date to any other date.
- 3.2 **“Accounting Period”** means, a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.
- 3.3 **“Annual Fee”** means any fee payable to the SECP under the Regulations.
- 3.4 **“Account Statement”** means statement of transactions in Units in the folio of the Holder.
- 3.5 **“AMC”** means Asset Management Company.
- 3.6 **“Auditor”** means the Auditor of the Trust appointed by the Management Company with the consent of the Trustee in accordance with the provisions of this Deed and the Rules, as per the Regulations.
- 3.7 **“Authorized Branch”** means those branches of the Distributor(s)/Distribution Company(s) authorized by the Management Company. It also includes the distribution centers established by the Management Company to perform the Distribution Function. Complete list of branches shall be disclosed in the Offering Document.
- 3.8 **“Authorized Investment”** means all investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:
- (a) Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government Securities;
  - (b) Deposits with banks not exceeding six months including deposit in currencies other than the Pakistani Rupee if permitted by the State Bank of Pakistan;
  - (c) Money market placements, reverse REPOs against authorized investments;
  - (d) Certificates of Deposit, Certificates of Investment, Mosharika certificates; and Commercial Papers with the condition that the rating of any NBFC and Modarba shall not be lower than AAA(Triple A) and the rating of any bank and DFI shall not be lower than AA (double A);
  - (e) Subject to SECP and other regulatory approvals, the Scheme may seek to invest in money market investment opportunities available abroad on such terms, guidelines and direction as may be issued by SECP and the State Bank of Pakistan from time to time;
- The rating of any security shall not be lower than AA (Double A).
- 3.9 **“Back-end Load”** means load deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of Units, as may be determined by the Management Company and it



shall become a part of Deposited Property.

- 3.10 **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 3.11 **“Bank Accounts”** means those accounts in the name of the Trustee of the Fund, the beneficial ownership of which rests with the Unit Holders.
- 3.12 **“Bonus Units”** means the Units issued, on distribution of the distributable income, in the form of a stock dividend.
- 3.13 **“Business Day”** means any day from Monday to Friday but does not include any day which is a gazetted Government of Pakistan holiday or on which the banks in Pakistan are closed for business.
- 3.14 **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of this Deed.
- 3.15 **“Commission”** means the Securities and Exchange Commission of Pakistan (SECP), established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.
- 3.16 **“Connected Person”** shall have the same meaning as in the Rules.
- 3.17 **“Constitutive Documents”** means the Trust Deed, Offering Document and other principal documents governing the formation of an open-end scheme, including all related material agreements.
- 3.18 **“Core Investors”** means the initial investors, who shall be required to subscribe to and to hold number of Units of an amount to be in compliance with Regulation 44-3(e) of the Regulations for the minimum two years from the close of initial offer period.
- 3.19 **“Core Units”** means such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the close of initial offer period. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 3.20 **“Custodian”** means a Bank, a banking subsidiary, the Central Depository Company or any other depository eligible to act under the relevant laws that for the time being may be appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as Custodian on behalf of the Trustee. The Trustee may also itself provide custodial services for the Trust with the approval of the Management Company at competitive terms, as part of the normal line of its business.
- 3.21 **“Cut-Off Time”** means the time for acceptance of applications for issuance, redemption and conversion of units which shall not be later than 4:00 p.m on any Business Day .The Management Company may change the current cut-off time by notifying the Trustee, unit

holders and the Commission.

- 3.22 **“Deposited Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting therefrom Front-end Load and Duties and Charges and Transaction costs and any other expenses chargeable to the Fund; and includes any Back-end Load, the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets movable or immovable and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed and shall include the income, profit, etc earned on the amount of the Distribution Account, but does not include any charges payable to the Management Company or any amount standing to the credit of the Distribution Account.
- 3.23 **“Discount Rate”** means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.
- 3.24 **“Distribution Account”** means the Bank Account which may be a current or saving account maintained by the Trustee with a Bank, approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund Property for the benefit of the Unit Holders.
- 3.25 **“Distributor/ Distribution Company”** means a company, firm or a Bank appointed by the Management Company and after intimation to the Trustee for performing the Distribution Function and shall also include the Management Company itself, if it performs the Distribution Function and the details of such distributors shall be disclosed in the Offering Document.
- 3.26 **“Distribution Function”** means with regard to:
- (a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
  - (b) Issuing of receipts in respect of (a) above;
  - (c) Interfacing with and providing services to the Holders including receiving redemption applications, transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission, in accordance with the instructions given by the Management Company or the Trustee, to the Management Company or the Transfer Agent as appropriate; and
  - (d) Accounting to the Trustee for all (1) moneys received from the applicants for issuance of Units; (2) payments made to the Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.
- 3.27 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property on the creation, issue, sale, transfer, redemption or purchase of Units or on the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and

charges are payable but do not include the remuneration payable to the Distribution Company or any commission, charges or costs which may have been taken into account in ascertaining the Net Asset Value.

- 3.28 **“Formation Cost”** means all preliminary and floatation expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document, legal costs and all other expenses incurred upto the Initial Offering Period shall be borne by management company and shall be reimbursable by the Trust, subject to the audit of expenses. The said formation cost shall be amortized by the Trust over a period of not less than five years. This shall not exceed one percent (1%) of the pre-initial public offering investment or five million rupees whichever is lower.
- 3.29 **“Front-end Load”** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding two percent (2%) of the Net Asset Value, which may be included in the Offer Price of the Units; provided however different levels of Front-end load may be applied to different investors, as determined by the Management Company.
- 3.30 **“Holder”** or **“Unit Holder”** means the investors for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provisions of this Deed.
- 3.31 **“Initial Period”** or **“Initial Offering Period”** means a period determined by the Management Company not exceeding such number of days as approved by the SECP from the date of approval of the Offering Document during which Units will be offered at the Initial Price in terms of the Offering Document.
- 3.32 **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company.
- 3.33 **“Investment”** means any Authorized Investment forming part of the Deposited Property.
- 3.34 **“Investment Facilitator/ Sales Agent”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme as its agents. The Management Company may compensate the Investment Facilitators/ Sales Agents out of the Front end Load collected by it in the Offer Price and/or from the Management Company’s own resources.
- 3.35 **“Net Assets”** shall have the same meaning as in the Rules.
- 3.36 **“Net Asset Value”** or **“NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units issued.
- 3.37 **“No Load”** means no Front-end Load and Back-end Load payable on sale or redemption of Units.
- 3.38 **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 16.2 of this Deed.
- 3.39 **“Offering Document”** means the prospectus, advertisement or other document (approved by SECP), which contains the investment and distribution policy and all other information in respect of the Unit Trust, as, required by the Rules and is circulated to invite offers by the



public to invest in the Unit Trust.

- 3.40 “**Ordinance**” means the Companies Ordinance 1984, as amended from time to time.
- 3.41 “**Par Value**” means the face value of a Unit that shall be Rupees ten (Rs. 10) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 3.42 “**Personal Law**” means the law of inheritance and succession as applicable to the individual Unit Holder.
- 3.43 “**Redemption Price**” means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to clause 20.2 of this Deed.
- 3.44 “**Register**” means the Register of the Holders kept pursuant to the Regulations and this Deed.
- 3.45 “**Registrar Functions**” means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Receiving application for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
  - (c) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledge or for recording of changes in information/ particulars/ data with regard to the Holders;
  - (d) Issuing Account Statements to Holders;
  - (e) Issuing Certificates including Certificates in lieu of undistributed income to Holders;
  - (f) Dispatching income distribution warrants and allocating Units to Holders on re-investment of dividends as per clause 34 of this Deed;
  - (g) Canceling old Certificates on redemption or replacement;
  - (h) Maintaining records of lien/ pledge/ charge; and
  - (i) Keeping record of change of addresses/other particulars of the Holders.
- 3.46 “**Regulation**” means the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it as amended from time to time.
- 3.47 “**Reporting Currency/ Base Currency**” means the currency used in presenting the financial statements which will be the Pakistani Rupee.
- 3.48 “**Rules**” means the Non Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended from time to time.
- 3.49 “**SECP**” means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.

- 3.50 **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under section 5 of the Securities and Exchange Ordinance, 1969.
- 3.51 **“Subscription Day”** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in at least one newspaper, either English or Urdu circulating in Pakistan, declare any particular Business Day not to be a Subscription Day.
- 3.52 **“Supplementary Offering Document”** means a document issued by the Management Company, in consultation with the Trustee, with the approval of the SECP, describing any amendments made to the Offering Document.
- 3.53 **“Supplemental Trust Deed”** means a document issued by the Management Company, in consultation with the Trustee, with the approval of the SECP, describing any amendments made to the Trust Deed.
- 3.54 **“Systematic Investments”** means client investments on a monthly, quarterly or any other fixed duration basis.
- 3.55 **“Transfer Agent”** means a company including a Bank that the Management Company may appoint for performing the Registrar Function.
- 3.56 **“Trust”, “Unit Trust”, “Fund” or “Scheme”** means the Unit Trust constituted under Trust Deed executed between the Trustee and the Management Company for continuous offers for sale of BMA Empress Cash Fund Units.
- 3.57 **“Unit”** means one undivided share in the Trust and where the context so indicates a fraction thereof.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural words, “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

#### **4. OBLIGATIONS OF MANAGEMENT COMPANY**

- 4.1 The Management Company shall comply with the provisions of the Rules, Regulations and constitutive documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company or by any officer or responsible official of the Management Company and any act or matter so performed shall be deemed for all purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/or omission or by its officers, officials or agents.
- 4.2 The Management Company shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties including Connected Persons, group companies or its

officers and subject to the restrictions and limitations as provided in this Deed and the Rules/Regulations. Any purchase or sale of Investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, if such instructions are not in conflict with the provisions of the constitutive documents, the Rules and Regulations. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.

- 4.3 The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund. The Investment Committee shall be constituted with the approval of the Board of Directors of the Management Company and shall consist of key personnel of the Management Company, including the chief investment officer and the fund manager and shall have a minimum of three members. The investment committee shall function in accordance with the provisions of Regulation 37 of the Regulations and shall inter alia separately record its decision along with rationale and objective for buying or selling each security and highlighting the limits including price, quantity, time period etc.
- 4.4 The Management Company may from time to time appoint, remove or replace the Transfer Agent under intimation to the trustee and Commission.
- 4.5 The Management Company shall make available or ensure that there is made available to the Trustee such information and record to the trustee as may be necessary for the trustee to discharge obligation under the Regulations.
- 4.6 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations and this Deed nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. It shall not incur any liability by reason of any error of law.
- 4.7 The Management Company shall if it considers necessary request the Trustee, for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof.
- 4.8 The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit prices and for producing financial reports from time to time as provided in the Regulations and this Deed.
- 4.9 The Management Company shall maintain at its principal office, proper accounts and records, for at least ten years, to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Trust, all transactions for the account of the Trust and the amounts received by the Trust in respect of issues of Units, paid out by the Trust on redemption of Units, by way of distributions and paid out by the trust at its termination.
- 4.10 The Management Company shall maintain a Register of Unit Holders of the Trust and inform the Trustee and the SECP of the address where the Register is kept. The Management Company shall not remove the records or documents pertaining to the Scheme

from Pakistan to a place outside Pakistan without the prior written permission of the SECP and the Trustee.

- 4.11 The Management Company shall, with the consent of the Trustee, appoint at the establishment of the Trust and upon any vacancy, an auditor who shall be a chartered accountant and independent of the Auditor of the Management Company, as the case may be, and the Trustee and such auditor shall not be appointed for more than five consecutive years and contents of the auditor's report shall be in accordance with the provisions of the Regulations.
- 4.12 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions unless such instructions are in conflict with the provisions of the constitutive documents or the Regulations. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction.
- 4.13 The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 4.14 The Management Company shall from time to time under intimation to the Trustee appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Management Company.
- 4.15 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any single Broker.
- 4.16 The Management Company shall:
- (a) Within four months of closing of the Accounting Period of the Scheme transmit to the unit holders, the trustee, the Commission and the stock exchanges on which the units of the scheme are listed, the annual report as per the requirements set out in Schedule V, including:-
    - i copy of the balance sheet and income statement;
    - ii cash flow statement;
    - iii statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and
    - iv the auditors report of the open end scheme.
  - (b) Within one month of the close of first and third quarters and within two months of the close of second quarter of the year of account of the Scheme, prepare and transmit to the unit holders, the trustee, the Commission and stock exchanges, on which the units of the Scheme are listed:-

- i balance sheet as at the end of that quarter;
- ii income statement;
- iii cash flow statement;
- iv statement of movement in unit holders' fund or net assets or reserves; and
- v statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise:

Provided that the Commission, subject to any conditions, may allow the Management Company to transmit the said quarterly accounts to the unit holders by placing them on the Management Company's website and the Management Company shall make the printed copy of the said accounts available to any unit holder, free of cost, as and when requested.

- (c) The Management Company shall be liable to the Trustee for any loss in value of the Fund Property where such loss has been caused by its negligence or reckless or willful act and/or omission or by its officers, officials or agents.
  - (d) The Management Company shall ensure that the Distributors to whom it delegates the function of Distribution, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the Commission and are abiding by the code of conduct prescribed by the association(s) and that the appointments shall be made under written contract with the Distributors, which shall clearly state the terms and conditions for avoidance of frauds and sales based upon misleading information.
- 4.17 The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.
- 4.18 The Management Company shall ensure all valid redemption request are paid based on ranking of the request in queue.
- 4.19 The Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of trustee, the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Regulations.
- 4.20 The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.
- 4.21 The Management Company shall ensure that no entry and exit to the Scheme (including redemption and reissuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.
- 4.22 The Management Company shall be obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.



**5. OBLIGATIONS OF TRUSTEE**

- 5.1 The Trustee shall comply with the provisions of this Deed and the Regulations for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee with the approval of the Management Company: Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless or willful act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- 5.2 The Trustee shall take into its custody or under its control all the property of the scheme and hold it in trust for the Holders in accordance with the Rules, the Constitutive Documents and all applicable laws, Regulations and all cash and register able assets shall be registered in the name of or to the order of the Trustee.
- 5.3 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of Constitutive Documents or the Regulations. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept.
- 5.4 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposal of the Deposited Property, if such instructions are not in conflict with the provisions of the Constitutive Documents or the Regulations or any applicable law and Rules.
- 5.5 The Trustee shall, with the approval of the Management Company, from time to time appoint, remove or replace one or more custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 5.6 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Deposited Property and all other matters relating to the Scheme.
- 5.7 The Trustee shall issue a report to the Holders included in the annual and second quarter report whether in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Rules, Regulations and the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 5.8 The Trustee shall require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the report required under the Regulations. The Trustee shall

endeavor to provide the certification at the earliest date reasonably possible.

- 5.9 The Trustee shall authorize and facilitate the Management Company to receive the statements of account for all the bank accounts being operated by the Trustee as a nominee of the Trust.
- 5.10 The Trustee shall ensure that the methods and procedures adopted by the management company in calculating the value of units are adequate to ensure that the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of the Constitutive Documents and regulatory requirements.
- 5.11 The Trustee shall, if requested by Management Company, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.
- 5.12 Neither the Trustee nor the Custodian (if Trustee has appointed another person as Custodian) shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust (save in the capacity of an intermediary).
- 5.13 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder. Notwithstanding removal/ resignation of Trustee, the Trustee shall remain entitled to the benefit of this clause.
- 5.14 The Trustee shall promptly forward to the Management Company within two Business Days any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Deposited Property.
- 5.15 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.

- 5.16 The Trustee shall be required to adhere to performance standards, as mutually agreed upon between the Management Company and the Trustee, from time to time.
- 5.17 The Trustee shall ensure that the investment and borrowing limitations set out in the constitutive documents and Regulations and the conditions under which the scheme was registered are complied with.
- 5.18 The Trustee shall ensure that Units have been issued after realization of subscription money.
- 5.19 The Trustee shall be liable for the acts and omissions of its agents in relation to assets forming part of the property of the scheme, such assets may be registered in the lender's name or in that of a nominee appointed by the lender.
- 5.20 The Trustee shall ensure that the sale, issue, repurchase, redemption, transfer and cancellation of units effected by a scheme are carried out in accordance with the provisions of the constitutive documents.
- 5.21 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers at the time of the offering of the Scheme and shall ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration of business with any Broker.
- 5.22 The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the Commission and the Management Company, within three four months of the close of the financial year.
- 5.23 The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, Regulations Constitutive Documents, guidelines, codes, circulars, directive or any other applicable laws.
- 5.24 The Trustee shall not invest in the Units of the Fund.
- 5.25 The Trustee shall comply with the directions of the Commission given in the interest of the unit holders of the Fund.

## **6. CHANGE OF MANAGEMENT COMPANY**

- 6.1 The Trustee may with the prior written approval of the SECP, remove the Management Company by giving at least ninety days notice in writing to the Management Company, if any of the following have occurred:
  - i. The Management Company has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
  - ii. The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
  - iii. A receiver is appointed over any of the assets of the Management Company.

- 6.2 The Management Company may voluntarily retire at any time with the prior written consent of the SECP and the Trustee. Provided that until the new management company is appointed, the management company shall continue to perform its function as the Management Company.
- 6.3 The removal of the Management Company and appointment of a new Management Company shall always require the prior approval of the SECP and the intimation of the same to the Trustee.
- 6.4 If the SECP has cancelled the license of the Management Company under the provisions of the Rules and or Regulations, the Trustee shall appoint another asset Management Company as the Management Company for the Scheme according to the provisions of this Deed and the Rules/Regulations.
- 6.5 Upon a new Management Company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new Management Company and shall pay all sums due to the Trustee.
- 6.6 Upon its appointment the new Management Company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new Management Company had originally been a party hereto.

## **7. CHANGE OF TRUSTEE**

- 7.1 The Trustee may subject to the prior written approval of the Commission retire voluntarily upon the appointment of a new trustee. In the event of the Trustee desiring to retire, it shall serve a three months notice to the Management Company under intimation to the Commission, The Management Company shall, within a period of three months of the Trustee's notice of intent to retire (or in default the Trustee) with the prior written approval of the Commission may shall by a deed supplemental hereto under the seal of the Management Company, appoint a new trustee under the provisions of the Regulations in place of the retiring Trustee and also provide in such supplemental deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. The retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Fund by the newly appointed trustee, whichever is later.
- 7.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Regulations, or any other law for the time being in force the Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Regulations and this Deed as the new trustee.
- 7.3 The Management Company may apply to the Commission giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. If the Commission is satisfied with the circumstances and reasons for the change applied for, may accord approval for the removal of the Trustee and appointment of a new trustee.

- 7.4 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge his obligations under the Regulations, the Commission may remove the Trustee after giving opportunity of being heard.
- 7.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee.
- 7.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

## **8. BANK ACCOUNTS**

- 8.1 The Trustee shall open Bank Accounts titled "MCFSL Trustee – BMA Empress Cash Fund" for the Fund at suitable scheduled commercial banks at the request of the Management Company.
- 8.2 The Trustee shall open additional Bank Accounts titled "MCFSL Trustee – BMA Empress Cash Fund" at such branches of scheduled commercial banks and at such locations (including outside Pakistan), subject to applicable Rules, Regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan and/or abroad, as may be required by the Management Company, from time to time.
- 8.3 The Management Company may also require the Trustee to open separate Bank Accounts with scheduled commercial banks titled "MCFSL Trustee – BMA Empress Cash Fund" for each dividend distribution out of the Fund.
- 8.4 Notwithstanding anything in this Deed, the beneficial ownership of the balances in the Account shall vest in the Unit Holders.

## **9. DEPOSITED PROPERTY**

- 9.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting therefrom or providing thereout any applicable Front end Load shall constitute part of the Deposited Property and the Distribution Company shall remit such proceeds, unless exempted under this Deed or applicable law, the Front end Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time. The Back end load shall also form part of deposited property.
- 9.2 The Deposited Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the Initial Period after deducting any applicable Duties and Charges therefrom or any Front end Load. Upon the close of the Initial Public Offering, any Income, profit etc. earned on Pre-IPO short term investments or bank interest/mark-up earned on the deposits from the Core Investors and Pre-IPO investors, shall be distributed by issuing bonus units at Par Value to the Core Investors and Pre-IPO investors.
- 9.3 The Trustee shall take the Deposited Property into its custody or under its control either



directly or through the Custodian and hold it in trust for the benefit of the Holders in accordance with the provisions of the Regulations and this Deed. The Deposited Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed.

- 9.4 Save, as herein expressly provided, the Deposited Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee, Management Company or the Custodian shall not except as allowed under the Regulations create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, Management Company, the Custodian or any other person except for securing finances obtained from Banks or institutions upon the direction of the Management Company and subject to the limitations contained in the Regulations.
- 9.5 The Trustee shall have the sole responsibility for the safe-keeping of the Deposited Property. Subject to the provisions of Clause 5.11 in the event of any loss due to negligence or breach of fiduciary duties on part of the Trustee, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of any such loss.
- 9.6 All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account, in one or more separate Bank Account(s) on the instructions of the Management Company, in the name of the Trustee with a scheduled Bank approved by the Management Company, having at least AA rated investment rating, as per criteria laid down by a credit rating agency approved by the SECP. The Bank shall allow profit thereon in accordance with the rules prescribed by the Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 9.7 Remuneration of the Management Company and the Trustee, brokerage and transaction costs relating to investing and disinvesting of the Deposited Property, all expenses incurred by the Trustee effecting the registration of all registerable property in the Trustee's name, legal counsel fee and other related expenses as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; Bank charges and borrowing/financial costs; audit fees; listing fee payable to a Stock Exchange including renewals; rating fee payable to an approved rating agency; annual fee/ charges payable to the SECP under the Rules; printing and circulation charges for the publication of the financial statements; Formation Cost and taxes if any applicable to the Trust and any other expenses permissible under the Regulations shall be payable out of the Deposited Property.

## **10. INVESTMENT OF THE DEPOSITED PROPERTY**

- 10.1 During and prior to the commencement of the Initial Period the Trustee shall hold the Deposited Property in cash in a separate account with a Bank having a rating of AA as per the criteria laid down by a credit rating agency approved by the SECP and approved by the Management Company or the Trustee may also on the advice of the Management Company invest in short term money market instruments (in case of investment in banks/DFIs' they

must have a rating of 'AA' by a SECP approved credit rating agency). After the Initial Period all cash, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed) be directed by the Management Company.

- 10.2 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment shall be realized in a period which shall not exceed, in any case, three months and the net proceeds of realization shall be applied in accordance with this clause.
- 10.3 The deposited property shall be subject to such exposure limits as are provided in the Regulations and any circulars issued by the Commission; Provided that the Management Company will have three(3) months to comply with the exposure limits incase such limits are exceeded owing to the appreciation or depreciation of any Investment or disposal of any investment.
- 10.4 If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed in a particular company by the Regulations, the Trustee shall not purchase any further investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or bonus. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.
- 10.5 **Investment restrictions**
- a. No direct/indirect exposure to equities, i.e. no exposure in equities, CFS, spread transactions, etc;
  - b. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA (Triple A);
  - c. Rating of any bank and DFI with which funds are placed shall not be lower than AA(Double A);
  - d. Rating of any security in the portfolio shall not be lower than AA (Double A);
  - e. Time to maturity of any asset shall not exceed six months;
  - f. Weighted average time to maturity of the net assets shall not exceed 90 days;
  - g. The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five percent (5%) of the total nominal amount of the securities issued, or collectively the directors and officers of the Management Company owns more than ten percent (10%) of those securities;
  - h. The BMA Empress Cash Fund shall not purchase from or sell any security to the Management Company or to any director, officer or employee of the Management Company or to any person who beneficially owns ten percent (10%) or more of the

equity of the Management Company; save in the case such party is acting as an intermediary;

- i. The Fund Property shall be subject to such exposure limits as are provided in the Regulations. Subject to this, the Fund will not at any time:
  - i. Affect a short sale in a security whether listed or unlisted;
  - ii. Purchase any security in a forward contract;
  - iii. Purchase any security on margin;
  - iv. Apply any part of its assets to real estate, commodities or commodity contracts;
  - v. Invest in the securities of the Management Company;
  - vi. Issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
  - vii. Apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
  - viii. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
  - ix. Sell Units or issue Units or certificates for consideration other than cash unless permitted by the Commission;
  - x. Merge the Scheme or acquire or take over any other Collective Investment Scheme without obtaining prior approval of the Commission;.
  - xi. Invest the subscription money until the closure of the Initial Offering of Units except as provided in clause 10.1;
  - xii. Take exposure in any other collective investment scheme;
  - xiii. Take exposure of more than:
    - a. thirty five per cent of Net Assets of the Scheme in any single group;
    - b. ten per cent of Net Assets of the Scheme at the time of taking exposure in listed group companies of the NBFC holding license of asset management services and such exposure shall only be made through the secondary market.
  - xiv. Rollover the investments, if in the opinion of trustee, the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Rules;
  - xv. Net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.

**10.6 Investment Policy and diversification**

Exposure of a Collective Investment Scheme to any single entity shall not exceed an amount equal to ten percent (10%) of total net assets of the collective investment scheme, subject to the following conditions:

- (a) Exposure to any debt issue of a company shall not exceed ten percent (10%) of that issue.

**10.7 Exception to Investment Restriction**

Provided that where the exposure of the Fund exceeds the limits specified above because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets, the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended up to another three months by the Commission on an application by the Management Company.

**10.8 Investment Objective**

BMA Empress Cash Fund is structured to provide a competitive level of income that commensurate with enhanced liquidity and credit profile through investment primarily in short term deposits and money market instruments with an overall rupee-weighted average maturity of not more than 90 days.

**10.9 Benchmark**

Average of three month deposit rates offered by AA rated banks.

**11. VOTING RIGHTS ON DEPOSITED PROPERTY**

- 11.1 All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Trustee and the Management Company shall be entitled to exercise the said rights in what it may consider to be the best interests of the Holders, and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Holders shall not have any right to interfere.
- 11.2 The Trustee shall upon written request by the Management Company and at their expense, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Management Company may require in writing. The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement. The Management Company shall keep records stating reasons for casting vote in favor or against any resolution for a period of three years.
- 11.3 Not later than two (2) Business Days of receipt, the Trustee shall forward to the Management Company all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.

## **12. BORROWING**

- 12.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained the Trustee may, at any time at the request of the Management Company, concur with the Management Company in making and varying arrangements with Banks or institutions, both financial and non financial, for borrowing by the Trustee for the account of the Trust. Provided that the borrowing shall not be resorted to except for meeting redemption requests and such borrowing shall not exceed fifteen per cent (15%) of the total net asset value of the scheme at any time and shall be repayable within a period of ninety days as under the Regulations. Provided further that the charges payable to such Bank or institution are not higher than the normal bank charges. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Regulations but if subsequent to such borrowing, the Net Assets have reduced as a result of depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 12.2 For the purpose of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Deposited Property provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.
- 12.3 Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such borrowings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 12.4 The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

## **13. VALUATION OF ASSETS/ LIABILITIES AND NET ASSET VALUE OF THE FUND**

The valuation of the property, method for determining the value of the assets and liabilities and the Net Asset Value would be as mentioned in the Regulations.

## **14. UNITS**

- 14.1 All Units or fractions thereof represent an undivided share in the Deposited Property and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Holder has a beneficial interest in the BMA Empress Cash Fund proportionate to the Units held by such Holder. However, the form of income distribution for the Units shall be in the form specified in clause 14.2.
- 14.2 Units shall be of the following type:

**Type I:** Units or fractions thereof represent an undivided share in the Deposited Property and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions.



**Type II:** Units or fractions thereof represent an undivided share in the Deposited Property and rank pari passu as to their rights in the Net Assets and earnings, save as, the distribution of income shall only be in the form of cash.

The customer can choose the type of Unit and existing Unit Holders may transfer their investment to other type without any Front-end Load/Back-end Load.

- 14.3 The Management Company may issue any of the following classes of Units for both Type I and Type II Units.
- i. Class A units that shall be charged with a Front-end Load, if any.
  - ii. Class B units that shall be charged with a Back-end Load, if any.
  - iii. Class C units that shall be charged with a Front-end Load that is less than Class A units and a Back-end Load, if any, in case of early redemptions

The Management Company will only issue Class A units to the Unit Holders, however if the Management Company decides to issue units other than Class A it shall do it with the consent of the trustee and approval of the Commission and the Unit Holders shall be notified accordingly. The customer can choose the class of Unit and existing Unit Holders may transfer their investment to other class without any Front-end Load/Back-end Load.

Units issued to Systematic Investment investors shall have a Front-end, if any, that is less than the units issued to regular investors.

The Management Company may also issue Units with no Front-end Load/Back-end Load. These include Units issued to the Core Investors and any Units issued as a result of reinvestment of distributable income pursuant to this Deed and/ or the Offering Document.

- 14.4 Irrespective of the different types of Units as set out in this Clause, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Offering Documents. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
- 14.5 Core Units subscribed by the Core Investors shall be offered and issued at Par Value and shall not be redeemable for a period of two years from the close of initial period. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement, Certificate or transfer instrument issued in respect of such Units.
- 14.6 Units offered and issued during the Initial Period shall be issued at the Par Value. The offer and issue of Units during the Initial Period shall remain open during the period specified in the Offering Document.
- 14.7 After the Initial Period, the Offer Price shall be determined from time to time pursuant to clause 16 of this Deed.
- 14.8 The Management Company may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units and the Holder shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates

for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such division or consolidation. Such information shall be published in at least two newspapers, one English and one Urdu circulating in Pakistan.

## **15. ISSUE OF UNITS**

- 15.1 The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.
- 15.2 Except as provided, as herein, the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.
- 15.3 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque, pay order or bank draft (crossed A/C payee only). The Management Company may make arrangements to accept payments via credit cards, debit cards, auto debit instructions or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favor of the Trustee at the Authorized Branches of the Management Company or officers of any Distribution Company on any Subscription Day. Payment in cash will not be accepted. No person other than the Authorized Branches of the Management Company or officers of any Distribution Company is authorized to accept the application for issuance of Units. The Distribution Company shall verify the particulars given in the application for issue of Units and after ensuring that the documentation required is complete in all aspects forward the application to the Transfer Agent/ Trustee for further processing.
- 15.4 Each Holder shall only be liable to pay the Offer Price of the Units subscribed by him in the manner provided in clause 15.3 and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against the receipt of full payment.
- 15.5 An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic issuance of Units under certain circumstances.
- 15.6 The Management Company may make arrangements to accept issue requests through electronic, IVR (Interactive Voice Response) or other means.
- 15.7 The Management Company may also request the Trustee to make arrangements through branches of banks to facilitate the issue and redemption of Units. A request for issue/ redemption of Units may be accepted through the ATM facility only when the relevant bank branches have been instructed by the Management Company to accept Unit Holders request to purchase or redeem the Units of the Trust.

## **16. DETERMINATION OF OFFER PRICE**

- 16.1 After the Initial Period the Offer Price shall be calculated and announced by the Management Company on a daily basis, as may be determined by the Management Company from time to time.

- 16.2 The Offer Price shall be equal to the sum of:
- (a) The Net Asset Value as of the Business Day of announcement;
  - (b) Any applicable Front-end Load at the discretion of the Management Company; and
  - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum may be adjusted upto two decimal places.

The Offer Price so determined shall apply to offer requests, complete in all respects, received by the Distributor and the Management Company before the cut-off time on the same day that the Offer Price is calculated. For requests received after cut-off time, Offer Price of next Business Day will be applicable.

- 16.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 16.2(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- 16.4 In the event the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 16.2(c) exceeds the relevant amounts of Duties and Charges, the Trustee shall instruct the Transfer Agent to issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application.
- 16.5 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in at least one newspaper, either English or Urdu, circulating in Pakistan. The Offer price shall also be made available at website of the Management Company.

## **17. ALLOCATION OF FRONT END LOAD**

- 17.1 The remuneration of Distribution Companies and Investment Facilitators/ Sales Agents shall be paid exclusively from any Front end Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Front end Load, after such disbursement, shall be paid by the Trustee to the Management Company to meet distribution and processing charges. If the Front end Load received by the Trustee is insufficient to pay the remuneration of the Distribution Company(s) and Investment Facilitators/ Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.
- 17.2 Such payments shall be made to the Distribution Company(s) and Investment Facilitators/ Sales Agents and the Management Company by the Trustee on a monthly basis in arrears within ten days of the end of the calendar month.
- 17.3 The Management Company at its own discretion may charge different level of Front-end Load to different classes of Units issued.
- 17.4 A Distributor located outside Pakistan may, if so authorized by the Trustee and the

Management Company, retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

## **18. ALLOCATION OF BACK END LOAD**

- 18.1 Any Back-end Load would accrue to the Fund and become part of the Deposited Property.
- 18.2 The Management Company at its own discretion may charge different levels of Back-end Load to different classes of Units issued.

## **19. REDEMPTION OF UNITS**

- 19.1 The Trustee shall at any time during the life of the Trust authorize redemption of Units out of the Deposited Property to the Holder or through its duly authorized Distribution Company.
- 19.2 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company or Transfer Agent together with the Unit Certificate, if issued, during any Subscription Day. The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means. The Management Company may redeem only part of the Units comprised in a Certificate and reissue a new Certificate for the remaining Units, however, in the case where Certificate is not issued any number of Units may be redeemed by the Holder thereof.. At the discretion of the Management Company certificate charges may apply for the reissued Certificate
- 19.3 The Trustee may at their option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Holder with like requirements to those arising in the case of an application by him for the replacement thereof.
- 19.4 The Management Company shall announce the Redemption Price on a daily basis. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of this Deed. However, if the event in clause 22.1 or clause 22.2 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 19.5 The amount payable on redemption shall be paid to the Holder or first named joint Holder by dispatching a cheque for the amount to the registered address of the Holder or other means, within six Business Days from the date of presentation of the duly completed redemption application, electronic or otherwise, at the Authorized Branch or office of the Distribution Company or Transfer Agent or directly through Holders personal on-line account. The Management Company may make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or by crediting the Holder's credit or debit card.
- 19.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.
- 19.7 Application for redemption of Units will be received at the authorized offices or branches of

the Distribution Company or Transfer Agent on all Subscription Days. Where redemption requests on any Subscription Day exceed ten percent (10%) of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in clause 22.1 thereof.

- 19.8 The Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Transfer Agent or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Holder's user ID and password will authenticate his identity.
- 19.9 A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Document, if such documents prescribe automatic redemption under certain circumstances.
- 19.10 Where lien/ pledge/ charge is recorded in the Register, the Management Company and Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a competent court and on receipt of such indemnification as Management Company or Trustee may require.

## **20. DETERMINATION OF REDEMPTION PRICE**

- 20.1 During the Initial Period the Units shall not be redeemed.
- 20.2 After the Initial Period the Redemption Price shall be equal to the sum of the Net Asset Value as of the Business Day of announcement, less:
- (a) Any applicable Back-end Load at the discretion of the Management Company; and
  - (b) Any amount applicable in respect of Zakat/ taxes imposed by the Government; and
  - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum may be adjusted upto two decimal places.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor and the Management Company before the cut-off time on the same day that the Redemption Price is calculated. For requests received after cut-off time, Redemption Price of next Business Day will be applicable.

- 20.3 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub clause 20.2(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of the Provisions.
- 20.4 In the event that amount paid as provision for payment Duties and Charges pursuant to sub clause 20.2(c) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by Management Company at any time earlier.



20.5 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and at the discretion of the Management Company may also be published in at least one newspaper, either English or Urdu, circulating in Pakistan.

## **21. SUSPENSION OF ISSUE OR REDEMPTION OF UNITS**

21.1 The Management Company may suspend the issue and redemption of Units at any time, during:

- (a) any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such Investment are restricted or suspended;
- (b) the existence of any state of affairs or force majeure which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Trust or the Holders;
- (c) any breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
- (d) any period when remittance of money which will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
- (e) if the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
- (f) if the Management Company is of the view that investment of inflow of substantial fund will be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.

21.2 Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Business Day on which conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other conditions under which suspension is authorized under this Deed exists. In case of suspension and termination of suspension the Management Company shall immediately notify the SECP and Trustee and publish the same in at least two daily newspapers, one in English and one in Urdu, circulating in Pakistan.

21.3 The Management Company shall ensure that in case of suspension of redemption of units of scheme due to extra ordinary circumstances in terms of provisions of the constitutive documents and the Regulations the issuance of fresh units shall also be kept suspended until and unless redemption of units is resumed.

## **22. QUEUE SYSTEM AND WINDING UP**

22.1 **Queue System** – In the event redemption requests on any day exceed ten percent (10%)

of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.

**22.2 Winding up in view of major redemption** – In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

### **23. ISSUE OF UNITS OUTSIDE PAKISTAN**

**23.1** Subject to exchange control, regulatory approval and other applicable laws, and Rules, in the event of arrangements being made by the Management Company for the issuance of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan the price at which such Units may be issued at the discretion of the Management Company include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover all additional cost relating to issue of Units outside Pakistan including but not limited to any currency exchange fluctuation or any risk cover, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates or any additional costs in connection therewith or the remittance of money to Pakistan.

**23.2** In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided all additional costs for redeeming Units outside Pakistan, including but not limited to a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption and/or any bank or other charges in arranging such payment.

**23.3** The Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any foreign currency and shall not be held liable, save as may be specifically undertaken by the Management Company in accordance with relevant international and local laws, for receipt or payment in any foreign currency or for any obligation arising therefrom.

**24. REGISTRATION OF HOLDERS**

- 24.1 The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Holders, provided that it is not closed for more than six (6) working days at a time and whole forty-five days in any calendar year.
- 24.2 The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of this Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder of his record without charge.
- 24.3 The Register shall contain the following information in respect to each class of Units:
- (a) Full names and addresses of each Holder and joint Holders;
  - (b) NIC number or passport number or registration number;
  - (c) Nationality;
  - (d) The number of Units previously held, if any, account number and the Certificate number(s), if any;
  - (e) The date and Certificate Nos., if any, of Units acquired through transfer;
  - (f) Information about Certificates reported as lost or destroyed;
  - (g) The date on which the name of every Holder was entered in respect of the Units standing in his name;
  - (h) The date on which any transfer or redemption is registered;
  - (i) Information about lien/ pledge/ charge on Units;
  - (j) Tax/ Zakat status of the Holder;
  - (k) Record of signature of Holder;
  - (l) Nominee; and
  - (m) Such other information as the Management Company may require.
- 24.4 The Register shall be conclusive evidence as to the Units held by each Holder.
- 24.5 Any change of name, redemption instructions or address of any Holder as specified in Client Registration shall forthwith be notified in writing by the Holder to the Distribution Company or Transfer Agent. The Distribution Company will forward such application to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.

- 24.6 The Transfer Agent shall not register more than four joint Holders for a Unit. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Transfer Agent or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 24.7 Subject to any Personal Laws that can be applicable to a Unit Holder, a single Unit Holder must nominate a successor to receive the Units upon his death by filling in the relevant portion of the Account Registration Form (or may request a nomination or change in nomination through the Account Update Form). Nominee(s) can be nominated by single Unit Holder and joint Unit Holders and respective shares in percentage should be assigned to the each nominee. Such nomination shall however not restrict the Management Company or the Trustee or the Transfer Agent from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.
- 24.8 A body Corporate may be registered as a Holder or as one of joint Holders.
- 24.9 The Register may be closed in consultation with the Trustee for such period as the Management Company may from time to time determine and after giving at least fourteen days notice to Holders, provided that it is not closed for more than six (6) working days at a time and whole forty-five days in any calendar year.
- 24.10 The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Transfer Agent to record a pledge on any or all Units held by a Holder in favor of a third party at the request of such Holder or joint Holders as the case may be in accordance with clause 30 of this Deed.
- 24.11 The executors or administrators or succession certificate holder or deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 24.12 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Management Company/ Distribution Company/ Transfer Agent such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Holder.
- 24.13 The Trustee shall retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units hereinbefore contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

**25. ACCOUNT STATEMENT**

- 25.1 Units will be issued in registered, uncertificated form and will be confirmed to investors by means of an Account Statement issued by the Transfer Agent.
- 25.2 Upon written or electronic confirmation from the Trustee that the sale amount has been realized in full from the applicant, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Holder.
- 25.3 The Transfer Agent will send directly to each Unit Holder a non transferable Account Statement, via mail or via email, each time there is a transaction in the account, i.e., Units are:
- (a) issued/ subscribed;
  - (b) redeemed;
  - (c) transferred in favor of third person;
  - (d) transferred from third person in favor of the Unit Holder;
  - (e) consolidated/ split;
  - (f) conversion of Units; and
  - (g) additional Units are issued against re-investment of dividend.
  - (h) Such other information as required under the Regulations or determined by the Management Company.

The Management Company shall send, within fifteen Business Days after each transaction, a transaction confirmation, containing information mentioned above through electronic means offered by the Management Company. Provided where Unit Holder does not have access to electronic means the same shall be sent in physical form.

**26. ISSUANCE OF UNIT CERTIFICATES**

- 26.1 Certificates shall be issued only if so requested by the Holder after issuance of electronic Units or at any later stage and upon payment of a fee not exceeding rupees one hundred per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 26.2 Units issued for Systematic Investments shall be in book entry/electronic form except where the client can prove necessity for physical Certificates due to legal or other requirements.
- 26.3 Certificates shall be issued for whole or fractional Units that have been fully paid for, in such denomination as may be required by the Holder provided the minimum denomination will not be for less than one Unit.
- 26.4 Certificates where requested shall be issued as herein provided not later than fifteen Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post or by delivery.
- 26.5 In case of Units held jointly the Transfer Agent shall not issue more than one Certificate for

the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders. All payments required under this Deed (i.e. redemption and dividend) will be made to first named joint Holder.

- 26.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a certificate number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 26.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorized signatory.

## **27. REPLACEMENT OF CERTIFICATES**

- 27.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any Rules from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- 27.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (I) returned the mutilated or defaced Certificate or furnished the Distribution Company/ Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
  - (II) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspapers inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent; and
  - (III) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company/ Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.



27.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require a fee of Rupees one hundred as certificate fee from the applicant, subject to revisions of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

## **28. TRANSFER OF UNITS**

28.1 Every Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.

28.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The Management Company may make arrangements to accept transfer requests through electronic means provided the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.

28.3 A Certificate must be transferable only in its entirety.

28.4 Every instrument of transfer must be duly completed in all respects including affixation of or payment of transfer stamps or payment of stamp duty, if any, of the requisite value and sent to the Transfer Agent or to the Distribution Company for forwarding to the Transfer Agent.

28.5 Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in clause 27 of this Deed.

28.6 The Distribution Company/ Transfer Agent with the prior approval of the Management Company shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years, from termination of the Trust. The Trustee or the Management Company or the Distribution Company/ Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Distribution Company/ Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company/ Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled.

Provided always that:

- (I) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;

- (II) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company/ Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (I) above are not fulfilled; and
- (III) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

## **29. CONVERSION OF UNITS**

A Unit Holder may convert the Units in the Fund into Units of any other schemes being managed by the Management Company. The Transfer Agent shall carry out the conversion after all the requisite formalities have been fulfilled (details of which will be described in the Offering Document) and payment of the applicable taxes or transaction fees, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.

## **30. PLEDGE/ LIEN OF UNITS**

- 30.1 Any Unit Holder / joint Holder(s) may pledge/ lien on all or any of his Units as security for any debt to any third party and request the Transfer Agent to record a pledge/ lien on all or any of his/ their Units in favor of any third party, legally entitled to invest in such Units in its own rights. The Transfer Agent shall take a note of the pledge/ lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company, Trustee and the Transfer Agent along with a joint request from the Unit Holder and the pledgee is submitted physically or electronically on the standard application form, as given in the Offering Document. None of these parties, the Trustee, the Management Company, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge/ charge/ lien. The disbursement of any loan against the constitution of such pledge/ lien/ charge shall be at the entire discretion of the lender and neither the Trustee nor the Management Company and the Transfer Agent take any responsibility in this matter.
- 30.2 Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any additional bonus Units that the pledged Units are entitled to automatically be marked under the lien of the lien holder and in the event the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.
- 30.3 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/charge/lien.

## **31. FEES AND CHARGES**

### **31.1 Remuneration of Management Company and its Agents**

Regulation 61 of the Regulations allows the Management Company to charge a remuneration to be paid monthly in arrears, accrued remuneration duly verified by the trustee, during the first five years of collective investment scheme's existence, of an amount not exceeding three percent (3%) of the average annual net assets of the collective

investment scheme and thereafter of an amount equal to two per cent (2%) of such assets or such other amount as may be specified by the Commission from time to time. Current level of management fee shall be disclosed in the Offering Document.

- a. The remuneration shall begin to accrue from the next day of close of the Initial Public Offer. In respect of any period other than a full Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued.
- b. The remuneration due to the Management Company shall be calculated and accrued on a daily basis but paid monthly in arrears, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum as allowed in the Regulations.
- c. In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Regulations to be payable out of the Deposited Property.
- d. The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.

### **31.2 Remuneration of Trustee and its Agents**

- a. The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on the annual tariff as defined in **Annexure "C"** which shall be applied to the average daily Net Assets accrued daily during such calendar month.
- b. The remuneration shall begin to accrue from the next day of the Initial Public Offer. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- c. Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.
- d. In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its service or for its expenses, except as are expressly authorized to be payable out of the Deposited Property under the provisions of the Regulations.
- e. The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.

- f. Any upward increase in Trustee remuneration would require SECP approval and would be mentioned in the Offering Document. However, any downward revision in the Trustee remuneration will not require such approval or amendment.

### **31.3 Formation Cost**

Formation Cost that will not exceed 1.0% of the Pre-Initial Public Offering capital or Rs. 5,000,000/-, whichever is lower and shall be borne by the Management Company and reimbursable by the Fund to the Management Company, subject to audit of expenses. The said formation cost shall be amortized by collective investment scheme over a period of not less than five years.

### **31.4 All other Material Fees & Charges**

The following charges shall also be payable out of the Deposited Property. However, any cost associated with sales, marketing and advertisement, except for one time advertisement for launching of the Fund, shall not be charged to the Fund..

- (a) listing fee payable to the stock exchange including renewals;
- (b) charges and levies of stock exchange, national clearing and settlement company and central depository company;
- (c) rating fee of the Fund payable to approved rating agency;
- (d) auditors' fees and out of pocket expenses;
- (e) fees payable to the Commission;
- (f) formation costs as per Clause 31.3 above;
- (g) brokerage and transaction costs related to investing and disinvesting of the assets of the collective investment schemes;
- (h) expenses incurred by trustee in effecting registration of all registerable assets in the name of the trustee;
- (i) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Fund;
- (j) bank charges and borrowing and financial costs;
- (k) hedging costs including forward cover, forward purchase or option purchase costs;
- (l) any printing costs and related expenses for issuing the collective investment scheme's quarterly, half-yearly and annual reports, etc;
- (m) taxes, fees, duties and other charges applicable to the collective investment scheme on its income or its properties, including taxes, fees, duties and other charges levied by foreign jurisdiction on investments outside Pakistan;
- (n) Any other expense or charge as may be permitted by the Commission from time to time.

## **32. TRANSACTIONS WITH CONNECTED PERSON**

- 32.1 The Management Company on behalf of the Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell any securities to any connected person or employee of the Management Company. Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of

their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust save in the capacity of an intermediary.

- 32.2 Where cash forming part of the assets of the Scheme is deposited with the trustee or of the custodian that is a banking company or an NBFC, a return on the deposit shall be paid by such trustee or custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.
- 32.3 All transactions with connected persons carried out by the Management Company on behalf of the Scheme shall be in accordance with the provisions of the Constitutive Documents and shall be disclosed in the annual report of the Scheme.

### **33. DETERMINATION OF DISTRIBUTABLE INCOME**

The Fund shall distribute annually an amount that is required under the Rules and the tax laws in force and that may be beneficial for its Unit Holders. The entire amount available for distribution may be distributed as bonus Units, cash dividend or in any other form acceptable to the Commission that may qualify under the tax laws or as a combination of the above. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

- 33.1 The Management Company shall decide from time to time but not later than one month for the first and third quarter, two months for the second quarter and four (4) months after the Annual Accounting Date whether to distribute among Holders, profits, if any, available for the distribution at the end of the Accounting Period or such interim period as may be decided by the Management Company, and shall advise the Trustee of the rate of such distribution per Unit. This distribution shall be made within thirty days.
- 33.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditor and shall be the sum total of:
- (a) the total income earned on the Deposited Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit, and fee;
  - (b) Net realized appreciation as set out in sub-clause 33.3; from which shall be deducted expenses as set out in sub-clause 33.4, adjustment as set out in sub-clause 33.5.
  - (c) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine in consultation with the Auditors.
- 33.3 The proceeds of sales of rights and all other receipts deemed by the Management Company after consulting the Auditor to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Deposited Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized gain may be distributable to the Holders by the Trustee and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.

- 33.4 The income qualifying for distribution in respect of the relevant Accounting Period shall be ascertained by deducting:
- (a) admissible expense of the Trust as stated in Clause 31.4 of this Deed and Rules;
  - (b) amortization of Formation Cost not exceeding one percent (1%) of the pre initial public offering (Pre IPO) capital or five million rupees whichever is lower, shall be borne by the Management Company and reimbursable by the Fund to the Management Company, subject to audit of expenses
  - (c) Taxes on Trust income or turnover.
- 33.5 The income qualifying for distribution in respect of the relevant year or period shall be adjusted as under:
- (a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investments inclusive of dividend, profit or mark-up;
  - (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Trust during the relevant period;
  - (c) Adjustment considered necessary by the Management Company to reflect the diminution in value of Deposited Property in consultation with the Trustee.
- 33.6 The Management Company may, from time to time, pay to the Unit Holders such interim dividends as in their judgment the position of the Trust justifies.

#### **34. DISTRIBUTION OF INCOME**

- 34.1 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of cash or stock dividends for type I Units and for Type II Units, distribution of income shall only be in the form of cash. After determining the amount available for distribution in respect of any Accounting Period, the Management Company shall, in case of cash dividend, instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purpose of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 34.2 After the fixation of the rate of distribution per Unit, distribution payments, in case of cash dividend, shall be made by cheque or warrant or by way of transfer of amount to the Unit Holder's designated bank account by the Trustee or through such arrangement as the Management Company may consider appropriate. Cheque or warrant payments will be sent through a registered post to the registered address of such Holder, or in the case of joint Holders to the registered address of the joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge thereof.
- 34.3 Before making any payment in respect of a Unit, the Trustee or the Management Company



may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Holder the certificate in respect of such deductions in the prescribed form or in a form approved or required by the concerned authorities.

- 34.4 In case of distribution in the form of cash the Management Company may offer the Holder the option to receive new Units or fractions thereof under cumulative investment instead of dividend payment, as per terms and conditions and procedure laid down in the Offering Document.
- 34.5 The Management Company may decide to distribute, wholly or in part, the distributable income in the form of a stock dividend, which would comprise of Bonus Units of BMA Empress Cash Fund. The Bonus Units would rank *pari passu* as to their rights in the net assets, earning, and the receipt of the dividends and distributions, with the existing Units of BMA Empress Cash Fund from the date of issue of these Units.
- 34.6 In case of distribution in form of Bonus Units the Management Company may offer the Holders the option to receive the amount equivalent to their share of the annual distribution in cash. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim dividend) cause to redeem such number of Units that equate value of the Bonus Units for the period. The Redemption Price shall be determined on the basis of the NAV at the distribution date after appropriating the dividend but without any charge of Back-end Load. The payment of the cash equivalent shall be made, net of taxes that the Management Company and/ or the Trustee is obliged to recover, by the way of transfer of amount to the Unit Holder's designated bank account or to the Holder's registered address.
- 34.7 Where Units are placed under pledge/ lien the payment of dividends will be made in accordance with clause 30.2 of this Deed.

### **35. ANNUAL ACCOUNTING PERIOD**

- 35.1 The annual Accounting Period shall commence on July 1<sup>st</sup> of a calendar year and shall end on June 30<sup>th</sup> of the ensuing calendar year.
- 35.2 Accounting Date shall be the 30<sup>th</sup> day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining prior approval of the SECP and the Commissioner of Income Tax, change such date to any other date.
- 35.3 Accounting Period shall be the period ending on and including Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.

### **36. BASE CURRENCY**

The base currency of the Scheme shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee or (subject to applicable law) any other Foreign currency.

**37. AUDIT**

- 37.1 The Management Company shall in consultation with the Trustee, appoint as auditor a firm of chartered accountants from the approved list of auditors circulated by the Commission who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time, with the concurrence of the Trustee, and shall, if directed by the Commission, remove the Auditors and appoint other Auditors in their place. The same firm of chartered accountants cannot be appointed Auditor for more than five consecutive years, unless permitted otherwise by SECP. Thereafter, the Auditors shall only be eligible for appointment after the lapse of one year.
- 37.2 The Auditor shall hold office until transmission of the annual report and accounts but may be reappointed as per the Rules. The first Auditors shall be Ford Rhodes Sidat Hyder & Co. Chartered Accountants.
- 37.3 The persons not qualified to be the auditor of a public company under the Companies Ordinance will not be qualified to be the Auditor.
- 37.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 37.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent and their officers and agents such information and explanations as considered necessary for the performance of audit.
- 37.6 The Auditor shall prepare a written report to the Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended hereto.
- 37.7 The Management Company may, with the approval of the SECP and in consultation with the Stock Exchanges, place the quarterly reports on its website instead of mailing it to all Unit Holders. However, the Management Company will send a printed copy of the quarterly accounts to any Unit Holder on demand, free of cost at his registered address within one week of such demand.

**38. MODIFICATION OF THE TRUST DEED**

- 38.1 This Deed shall be subject to and be governed by the Ordinance, the Rules and all applicable laws and Regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supersede and prevail over the provisions contained in this Deed.
- 38.2 The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Holder and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed.
- 38.3 The Trustee and the Management Company acting together shall be entitled by deed

supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the SECP, if so required. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more

conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock exchange or other wise for the benefit of the Holders and that it does not prejudice the interests of the Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Holders.

38.4 Where this Deed has been altered or supplemented the Management Company shall notify the Holders immediately.

38.5 The Management Company may from time to time frame rules or Rules for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or Rules are not inconsistent with the provisions of this Deed or the Offering Document.

38.6 If the Commission modifies the Rules to allow any relaxations or exemptions, these will deem to have been included in this Trust Deed without requiring any modifications as such.

38.7 If at any time, any Clause of this Deed is and/ or becomes in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of this Deed hereof, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

#### **39. TERMINATION AND LIQUIDATION OF TRUST**

39.1 The Management Company may terminate BMA Empress Cash Fund by giving appropriate notice in writing to the Holders and shall disclose the grounds for its decision. The Management Company may announce winding-up of the Trust without notice to the Unit Holders but under intimation to the Commission if redemptions of Units of unmanageable level would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust is would up.

39.2 The Trust may also be terminated by the SECP on the grounds given in the Regulations.

39.3 This Deed may be terminated in accordance with the conditions specified in the Rules, if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and the Management Company regarding the Unit Trust. It is recognized that the Trustee may be acting as a combined Trustee of two or more unit trusts. In the event of the termination of any one Unit Trust, it may or may not require the termination of the Trustee for the other unit trusts. Both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts and the Management Company.

#### **40. DISTRIBUTION OF LIQUIDATION PROCEEDS**

40.1 Upon the Trust being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the

hands of the Trustee as part of the Deposited Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.

- 40.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in sub-clause 39.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

#### **41. ARBITRATION**

In the event of any disputes arising out of this Trust Deed or Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and the conditions of this Trust Deed, Offering Document and/ or the Supplementary Offering Documents, relating to the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before the commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties. The arbitrators and the umpires shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, or senior bankers or senior business men or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

#### **42. CONFIDENTIALITY**

The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose any information or document which may come to his knowledge or possession in the discharge of his duties except when required to do so in the ordinary course of performance of his duties or by law.

#### **43. MISCELLANEOUS**

##### **43.1**

- (a) Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post/courier to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in providing such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted
- (b) The Trustee or the Management Company shall publish any such notice, as provided in this Deed.
- (c) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.

(d) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

43.2 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of fifty (50) Rupees per copy or at such rate as determined from time to time by the Management Company.

IN WITNESS WHEREOF THIS DEED has been executed on the day and year first above written.

The Common Seal of BMA ASSET MANAGEMENT COMPANY LIMITED was hereunto affixed in the presence of :-

Seal

(1) \_\_\_\_\_  
**Adeel Ahmad**  
Senior Vice President

(2) \_\_\_\_\_  
**Amir Iqbal**  
Chief Financial Officer

The Common Seal of MUSLIM COMMERCIAL FINANCIAL SERVICES (PVT) LIMITED was hereunto affixed in the presence of:-

Seal

(1) \_\_\_\_\_  
**Khwaja Anwar Hussain**  
Acting CEO

(2) \_\_\_\_\_  
**Faisal Amin**  
Assistant Vice President

Witnesses:

\_\_\_\_\_  
**Name: Muhammad Hasnain**  
Assistant Vice President  
C/o Muslim Commercial Financial  
Services Limited.

\_\_\_\_\_  
**Name: Ayesha Mohammad**  
Assistant Manager  
C/o BMA Asset Management  
Company Limited.





**Securities and Exchange Commission of Pakistan  
Specialized Companies Division**

License No. NBFC-II/38/BMA AMCL/AMS/20/2008

Islamabad, August, 6, 2008

**LICENSE TO CARRY OUT  
ASSET MANAGEMENT SERVICES  
AS NON-BANKING FINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to carry out **Asset Management Services** submitted by **BMA Asset Management Company Limited** under rule 5 of the Non-Banking Finance Company (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(1) 2007 (the "Rules"), and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license of **BMA Asset Management Company Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **BMA Asset Management Company Limited** shall comply with the Companies Ordinance, 1984, the Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2007 and any directives, circulars, codes, notifications and guidelines issued by the Commission to regulate the business of investment advisory services;
- (ii) **BMA Asset Management Company Limited** shall submit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditors' report within three months of the close of its year of account and a half yearly report, together with a copy of the balance sheet and income and expenditure account with limited scope review by the statutory auditors within two months of the close of its half year; and
- (iii) The license is valid for a period of one year w.e.f July 01, 2008 and shall be renewable annually as specified in the Rules.

**(Salman Ali Shaikh)**  
Commissioner



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT**

No. NBFC-II/DD/BMA-AMCL/ **67** /2009

June **15**, 2009

**Mr. Adeel Ahmad Khan**  
Senior Vice President  
BMA Asset Management Company Limited  
Suite # 804, Level 8  
Unitower, I.I. Chundrigar Road  
Karachi.

**Subject: Trust Deed of Proposed BMA Empress Cash Fund**

Dear Sir,

I am directed to refer to your letter dated June 08, 2009 whereby you have submitted the revised/amended Trust Deed of BMA Empress Cash Fund proposed to be executed between BMA Asset Management Company Limited (the "Management Company") and Muslim Commercial Financial Services Limited (the "Trustee") for approval.

In this regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of latest amended version of the Trust Deed of the proposed BMA Empress Cash Fund enclosed with your above referred letter under the Trusts Act, 1882. The clearance of the draft trust deed is without prejudice to the consequences of verifying compliance to the conditions stipulated in the license issued in favor of BMA Asset Management Company Limited and the requirements stipulated in the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified entities Regulations 2008. Further action will be taken on receipt of duly registered copy of the Trust Deed.

Yours truly,

Javed Akhter Malik  
(Deputy Director)

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4, Fax. No. 9218590, E-mail: [javed.akhter@secp.gov.pk](mailto:javed.akhter@secp.gov.pk)

**Annexure “C”**

The Trustee remuneration shall consist of reimbursement of actual custodial expenses/charges plus the following tariff:

<b>Net Asset</b>	<b>Tariff</b>
On Net Assets up to Rs. 500 million	Rs. 0.7 million or 0.20% per annum of the Net Assets, whichever is higher
On Net Assets exceeding Rs. 500 million and upto Rs.1,000 million	Rs. 1.0 million plus 0.12% per annum of the amount exceeding Rs.500 million
On Net Assets exceeding Rs. 1,000 million and upto Rs.2,000 million	Rs. 1.45 million plus 0.08% per annum of the amount exceeding Rs1,000 million
On Net Assets exceeding Rs. 2000 million	Rs. 2.35 million plus 0.05% per annum of the amount exceeding Rs.2,000 million
<b>CDC Eligible Securities</b>	
Initial Deposit Fee(One time charges)	Actual CDC Charges [On a pass through basis]
Transaction / Settlement Fee [Shares, TFC, Wapda Bonds, Units]	
Custody / Position Fee [Shares, TFC, Wapda Bonds, Units]	
Withdrawal Fee	
<b>Other Charges</b>	
Participation Fee	Rs.50,000/=
Documentation/Legal Fee	At Actuals
Stamp Duty	At Actuals
<b>All charges to be billed on a monthly basis</b>	



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT**

No. NBFC-II/DD/BMA-AMCL/ 618/2009

June 5, 2009

**Mr. Adeel Ahmad Khan**  
Senior Vice President  
BMA Asset Management Company Limited  
Suite # 804, Level 8  
Unitower, I.I. Chundrigar Road  
Karachi

**Subject: Appointment of Muslim Commercial Financial Services Limited as  
Trustee to the BMA Empress Cash Fund**

Dear Sir,

I am directed to refer to your letter dated May 08, 2008 on the captioned subject and convey the approval of Securities and Exchange Commission of Pakistan for appointment of Muslim Commercial Financial Services Limited as Trustee of the proposed BMA Empress Cash Fund in terms of Regulation 39 of the NBFC & NE Regulations, 2008.

Yours truly,

Javed Akhter Malik  
(Deputy Director)

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4, Fax. No. 9218590, E-mail: [javed.akhter@secp.gov.pk](mailto:javed.akhter@secp.gov.pk)

Management Company:  
BMA Asset Management Company Limited  
801 Unitower, I.I. Chundrigar Road  
Karachi, Pakistan

Trustee:  
Muslim Commercial Financial Services (Pvt.) Limited  
3rd Floor, Adamjee House, I.I. Chundrigar Road  
Karachi, Pakistan

Transfer Agent:  
Technology Trade (Pvt.) Limited  
Dagja House, 241 C, Block 2, P.E.C.H.S.  
Karachi, Pakistan

Auditors:  
Ford Rhodes Sidat Hyder & Co. Chartered Accountants  
Progressive Plaza, Beaumont Road, P. O. Box: 15541  
Karachi 75530, Pakistan

Legal Advisors:  
KMS Law Associates  
207, Beaumont Plaza, Behind PIDC House  
Karachi, Pakistan



For more information, please contact us:  
Tel: (0213) 111 BMA 111 Fax: (0213) 242 6829  
[www.bmafunds.com](http://www.bmafunds.com) [clientservice@bmafunds.com](mailto:clientservice@bmafunds.com)